

Wealthcast

STOCK MARKET LETTER

R-25 Candidate

MedImmune: A Mini Amgen



So you think Nets stocks are volatile? Try biotech. You can wait years for big-money payoffs from experimental drugs—only to see the FDA nix the finished treatments.

Then again, the best of the biotechs have already paid their regulatory dues and have nice upside potential.

Here in our backyard almost—across the river and up the road in Gaithersburg, Maryland—12-year-old MedImmune has risen some 2,700 percent since going public back in 1991.

MedImmune is up an awesome 800 percent in the past three years, compared to a mere 400 for Amgen.

Now's a good time to buy MedImmune if it fits your investment needs. At 61 15/32, the stock is well off its 52-week high of 86 1/8 set in September—even though the company handily beat third-quarter estimates.

Blame general market conditions and an influential but mistaken analyst for the bargain.

Reassuringly, MedImmune's 1999 earnings of 44 cents a share dwarfed the 1998 figure of 24 cents, and if consensus estimates are right, earnings could exceed 60 cents in fiscal year 2000 and 80 cents in 2001.

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Market Comment and Forecast

Beef Up Your Portfolio for '01

Dump the Dotcoms, Buy the Ciscos and Schwabs

By Tom Parnell

Managing Director, Rothstein Investments

You don't need Florida vote-counters to separate the winners from the losers among your stocks.

Prepare for tax selling season and gird your portfolio for the new Millennium. Don't freeze waiting for a miracle.

Start with your Internet names. Shed your obviously iffy dotcoms in this meaner, rougher market. Keep the vic-

tors like Cisco, Sun Microsystems, Intel, Microsoft and GE. Were they all you owned in the past few years? Then you have the Wall Street equivalent of a landslide—and maybe a political dynasty, too.

Cisco will dominate despite the current havoc that fiber optics is wreaking in the world of networks. Sun will pro-

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Just Ask Prince Al-Waleed Citigroup: A Banking King—and More



Prince Al-Waleed of Saudi Arabia lives in a \$130-million palace with at least 520 TVs, 400 phones, eight elevators, an indoor tennis court and a bowling alley. Not oil but R-25-style investments have made him one of the planet's richest men. He's worth a cool \$20 billion. Like us, the Prince is heavy on techs and loves big cyberwinners like America Online.

But his largest stake is in Citigroup, another key R-25er, which came about through the 1998 merger of Citicorp with the Traveler's Group. The Prince started investing in Citicorp in the early 1991, bailing out the then-troubled bank with a \$590-million loan, and he now owns some \$8 billion of shares

in Citigroup. Smart guy. With gains from predecessors thrown in, the stock has zoomed up some 2,500 percent in the past decade compared to Nasdaq's 700 and Chase Manhattan's 900.

Citigroup shares are up an impressive 20 percent in 12 months, and if the Fed lowers interest rates in 2001 as most expect, this leader could shoot higher along with the other financials. You've heard of Gore stocks and Bush stocks; what about timely *Greenspan* stocks? C might well rise from its present \$47 5/16 to \$100 in the next few years, given all it has going for it. The 52-week range is 35 5/16 - 59 1/8. No promises of future results, but Al-Waleed is no fool, having regularly walloped the S&P.

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Members can hear Jack Rothstein on most days via RealAudio email.
Reach Diana Rodriguez at dirod@wealthcast.com or 1-888-343-4825, ext. 16, to get on the list.

Market Comment

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vide the servers for the zillions of Web sites that keep sprouting up. Intel has supplied chips for Net-connected PCs and will keep breaking into new areas like Web hosting. Microsoft will use its .NET strategy to shake up e-commerce. General Electric, as our profile noted last month, will be a major force in global business-to-business activities in cyberspace.

You could easily double-weight the preceding five stocks and multiply your relaxation factor by ten.

Beyond Tech

Still, you need diversification in non-tech, so your next five possibilities might be Citigroup, Schwab, Merck, Coke and Home Depot. Citigroup, profiled this month, should increase its customer-base nine or ten times over the decade. Schwab is another financial giant profiting from the retirement-minded boomers, the Internet and the mushrooming global markets. Merck has a long pipeline of drugs to keep alive the older customers of Schwab. They and their grandchildren will still guzzle down Coke; the company is thriving under CEO Douglas Daft. Home Depot, a coast-to-coast leader, is poised to rebound with lower interest rates in view.

With the above five names, you split the growth portfolio in half. Now you have money, medicine, marketing and building material. We are hammering together a portfolio, an investment shelter. Those five names are international, mature, Old Economy and safe for the long term. With this team you

IMPORTANT: Please Note

The accuracy of the facts, figures and opinions in this entire newsletter is not guaranteed. Neither do we guarantee assurances regarding future performance(s) of stock(s) or fund(s), written or oral, to any client or prospective client.

As always, consult your financial advisor before making any investment.

R-25 Buy of the Month: Nokia

Cell phone leader Nokia is our Buy of the Month for investors who believe that it would fit in well with their risk levels, goals, time horizons and the rest of their portfolios.

Vis-à-vis the S&P, Nokia isn't so pricey if you consider growth. Nokia's P/E of 47 dwarfs the S&P's, but the projected earnings growth is almost 28 percent annualized over five years. That's a consensus estimate. The price of 42 1/16 is far off the 52-week peak of 62 1/2.

Given the current hatred of techs and telecoms—and Wall Street's generic nervousness over the Florida mess—Nokia's price may drop before exceeding the old high. But if you want to own a market leader, now is a good time to get in. Of the 400 million units projected to be sold this year, Nokia will turn out around 30 percent of them. Nokia races along at two cell phones a second.

Luckily for bargain-hunters, Nokia has been the victim of a few myths.

■ *Myth #1: There is a serious long-term slowdown in sales for the industry.* The real losers have been Motorola and Ericsson. Nokia has been cleaning their clocks. It enjoys better margins, so the story is sustainable here.

■ *Myth #2: Asian rivals will eat Nokia's lunch.* Nokia is already an efficient low-cost producer and is as willing as the next guy to use contract manufacturers.

■ *Myth #3: Cell phones are mere commodities.* Wrong! Nokia, for example, has pioneered the concept of cell phones as fashion accessories. And these not-so-staid Finns can respond nimbly to new trends—fashion or technological.

See our earlier Nokia profile at <<http://www.wealthcast.com/mo/nokia.htm>>.

don't give a gigabyte about Gates, Ellison, Dell or Case. Those guys will never reach up to threaten.

Down in the Trenches

Now it gets tough, up close and personal, just like the trench warfare in Florida. The next group offers several industry choices. But in each case you will add flavor, spice, aroma and atmosphere. Risky, sure, but you can profit down in the trenches of the Internet with Ariba (the leading business-to-business stock), Exodus (#1 Web hoster), eBay (the want-ad section for the wired generation), JDS Uniphase (Kong in fiber optics) and America Online (to be fortified soon with killer content from Time Warner).

Vegas

Of, you could also take a side trip to Vegas with Redback Networks (which helps Net providers keep up with the broadband explosion), RealNetworks (AOL's supplier of software for hearing and seeing Time Warner programs and others), Broadcom (a leading maker of communications chips for cable modems and other gizmos), Juniper Networks (maker of routers faster than Cisco's) and Yahoo (the most successful portal company). We believe these companies will be in the top-five class within a few years, and now is the time to shed

historical cost bases and establish new positions. From here the outlook is very bright, darkened only by the baggage of the summer of 2000 performance. Don't look back—the market won't.

The Sharp Shooters

If you dislike these last two platoons, try these sharp shooters on for size: EMC (the storage leader for the Net), Applied Materials (#1 maker of machinery for manufacturing chips), Nokia (international cell phone king), Oracle (the most successful creator of database software—both on and off the Net) and Qwest (fiber-enriched and much more data-oriented than old foggies like AT&T). Each has specific strengths, but a more narrow focus. These are not team players but roam alone—striking fear into competitors and taking no prisoners.

There you have it, your new portfolio. Join us and enjoy the trip.

You can reach Tom Parnell at
tparnell@wealthcast.com.

See page 6 for charts of most R-25 companies mentioned above. Also, visit our R-25 page online at <<http://www.wealthcast.com/mo/companies.html>>.

Citigroup *continued from page 1*

The Prince and the Jewish Kid from Brooklyn

Helping send the Saudi's shares northward these days has been none other than a smart Jewish kid from Brooklyn, Sandy Weill, who engineered the famous merger between Citicorp and his Travelers Group. In his 60s Weill has still been energetic enough to shake up the staid, bankerish culture of Citicorp with a heavy infusion of the entrepreneurial spirit. He has pushed aside co-CEO John Reed, ex-Citicorp head. Reed, albeit a techno-visionary who helped make ATM ubiquitous worldwide, got in Weill's way. "Let me tell you," Prince Al-Waleed recently observed, "any company cannot have two leaders. I knew one of them had to go. Reed said, 'I resigned for the good of Citigroup.'"

Another plus for Citigroup is the impending retirement of the baby boomers. The company claims that "one out of every six affluent individual investors in the United States" is a client of its Salomon Smith Barney brand, with managed assets of Salomon exceeding \$650 billion. As we noted in *Wealthcast's* October issue, the individual assets of Americans will grow from \$10.3 trillion in 1999 to \$27 trillion by 2004 and then \$43 trillion by 2009 if a Schwab forecast holds up.

On top of everything else, as the world's largest financial services conglomerate with earnings of almost \$10 billion in 1999, second only to General Electric, Citigroup is well diversified for the long term. You can carry a Citibank credit card, buy property or life insurance or an annuity or other products from Travelers Insurance, take out a mortgage from the same conglomerate, or see Salomon Smith Barney mastermind a merger of your employer, you name it. Citigroup is in some 100 countries and yet still has plenty of new customers left to woo, offering an enticing upside.

A Multitalented Global Banking King

We're talking about a multitalented Banking King at a global level—actually a Financial Services King. Simply put, Citigroup is less susceptible to prob-

lems from Sunbeam-style corporate loans that have plagued First Union, other regionals and the Bank of America. The planned purchase of Associates First Capital for \$31 billion is expected to strengthen Citigroup both here and abroad.

Furthermore, because of the undeserved taint from the First Unions and the present interest-rate concerns, Citigroup is a bargain for the growth-minded. Even now, the market doesn't grasp the full value of this 100-million-customer behemoth.

While the market cap is already \$230 billion, Citigroup continues to perform. Revenues in the third quarter, for example, went up 15 percent to \$16.8 billion from \$14.6 billion for the same period last year. Quarterly diluted earnings per share, 67 cents, were 26 percent higher than in 1999. For the first nine months of 2000, diluted earnings per share were \$2.10 compared to \$1.58 for the same period last year. Core income rose to \$9.7 billion, a 32-percent increase over the first three quarters of 1999.

Is Citigroup a hyper-grower like Ariba? No. But it is a good, solid investment for a balanced portfolio. The expected Price/Earnings/Growth ratio for the year ended December 2000 is a mere .62—or a tad less than for the comparable financial services companies and certainly less than the S&P's PEG of 1.91. P/E is a non-intimidating 18 to one. Covering analysts believe that Citigroup's earnings will grow almost 28 percent this year compared to a mere 12 percent for the S&P.

The five-year annualized rate is predicted to be 14 percent, or less than the 19.2 for comparable parts of the financial services industry, but the actual results could dazzle the Street. Cross-marketing of services at branches—steering the bank customers toward insurance, for example—should benefit Citigroup more and more. So will its growing multinational presence on the Internet.

The Negatives

Granted, negatives exist. While Citigroup is a screaming value by S&P standards, it looks diamond-crusted if you compare it to many other financial stocks. The P/E of 18, though below

the S&P's, dwarfs that of Chase Manhattan Bank, a mere 10. In fact, Chase's PEG for the period ended December 00 is *minus* .894, and its expected five-year annualized growth rate is 11.7 percent. The growth rate is not that distant from Citigroup's 14 percent, compared to the vast gap in the respective P/Es. (Citigroup boosters might say you're paying extra for Weill's brilliant managers along with a greater diversity of income sources beyond banking.)

Near term, you should also keep in mind that while a low-interest scenario looks likely for 2001, it isn't inevitable. Higher-than-expected oil prices or other inflation could keep the Fed from easing.

Another negative has been charges of racial discrimination in the lending practices of Associates and even Citigroup itself. The controversy probably won't kill the planned merger, but will not help on the regulatory front. The bank has stepped up minority loans in recent years and has many blacks, Hispanics and Asians in its 100,000-plus workforce, but is a long way from placating community groups.

Uncertainties aside, does Citigroup still sound like your kind of stock? Here are the biggest reasons for our own enthusiasm.

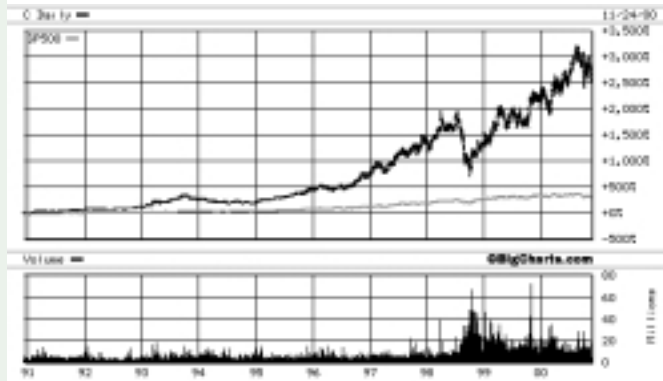
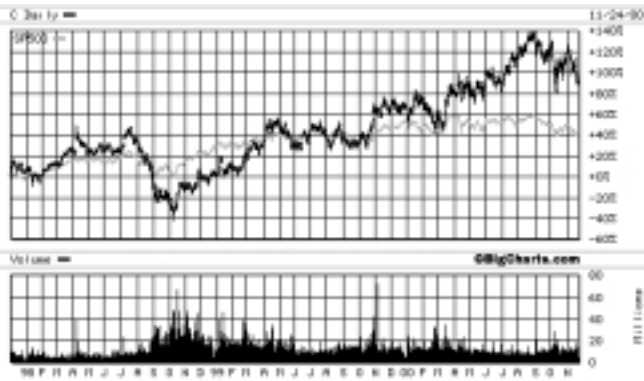
REASON #1: Top-Flight Management

Sandy Weill is both a go-getter and a child of the Depression, an adventurous man but still one with a knack for limiting the downside. While hardly infallible, he has avoided many disastrous loans that befell competitors. A former runner on Wall Street, Weill helped start a brokerage and eventually parlayed his skill and his allies' assets into control of American Express. He was among the first to grasp the synergies of logical, well-crafted financial mergers.

Ideally Wall Street could follow Sen. John McCain's suggestion for Alan Greenspan and let Sandy Weill go on forever at his job, propped up like a corpse in *A Weekend at Bernie's*. But unfortunately we must look ahead to possible successors. Once Jamie Dimon, a Weill protégé, seemed the

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Company Name: Citigroup, Inc. (C) **Exchange:** NYSE **Industry:** Diversified Financial
 Citigroup and predecessors have offered healthy long-term growth—mostly ahead of the S&P.



Company Data Close on 11/24/00 with 4,936,800 shares traded
Shares Outstanding: 4,497,706,000 **Market Cap:** 212.8 Billion
52-Week EPS: 2.69 **P/E Ratio:** 17.59
52-Week High: 59.125 on Monday, August 28, 2000 **52-Week Low:** 35.344103 on Friday, February 25, 2000
Average Price: 51.88 (50-day) 48.91 (200-day)
Average Volume: 12,356,700 (50-day) 12,390,400 (200-day)

11/24/00 Price: 47 5/16
Short Interest: 68,936,880 (1.53%)

Courtesy of BigCharts.com

Citigroup *continued from page 3*

their apparent; but Weill disliked Dimon's treatment of Jessica Weill Bibliowicz, a talented daughter who worked for the conglomerate. Dimon went on to join Bank One as CEO.

Bob Rubin, alas, the brilliant ex-secretary of the Treasury and now chairman of executive committee of the Citigroup board, is himself in his 60s and most likely wouldn't succeed Weill. Still, his Rolodex could be a godsend in the search for the right person. Rubin, moreover, is a deal-maker extraordinaire and a whiz at regulatory and legislative matters.

Among the CEO possibilities is Michael Carpenter. He oversaw Traveler's life insurance operation and aggressively encouraged the cross-selling of different financial products. These days he runs the investment and corporate businesses. The big negative against Carpenter is that the bond scandal at Kidder Peabody occurred on his watch. Another leading candidate is Citibank veteran Victor Menezes. If Weill does go outside Citigroup after all, one candidate might be Richard Kovacevich of Wells Fargo, who himself once worked at Citicorp. Some say that if need be, Weill would even be willing to acquire a smaller financial conglomerate to pick up the right CEO.

REASON #2: A Mix of Growth and (Relative) Safety

While no stock is completely safe, Citigroup is a solid investment over the long term because of an enticing mix of growth, synergy and diversity of businesses.

Some of the best performances for the first three quarters of 2000 came from North American banking (up 48 percent to \$420 million), insurance in Japan (up 51 percent to 104 million) and global relationship banking (up 59 percent to \$751 million).

Among the star units was Salomon Smith Barney (up 31 percent to \$2.22 billion). Internal and external synergies abound here. Hundreds of deals have been expedited by the relationship between Salomon—one of the planet's premium mergers-and-acquisitions centers—and Citibank.

Meanwhile Salomon is profiting off the AOL/Time Warner merger, and in the other direction AOL will rake in oodles of advertising dollars from Citigroup's consumer side. Remember, too, the cross-marketing of different products in Citibank branches. Also, with so much more information available about customers, the parent Citigroup can more precisely target mailings.

Given all the diverse business operations, Citigroup is just like GE or Microsoft—it's a mutual fund in disguise.

REASON #3: Future Potential in Cyberspace and Abroad

A billion customers globally? That's how many customers Citi was thinking it just might reach—and this was before the merger. Is such a goal realistic? Perhaps, if Weill and associates can build on bricks that already exist overseas—and augment them with clicks. Speaking of bricks businesses in general, Rubin told an Internet conference: "Existing firms have the benefit of customer relationships, brand identification, scale, capital, management experience, and physical distribution centers." That's Citigroup!

Citigroup already has a big presence in places ranging from Japan (where it's stolen its share of business from rivals in financial services) to Latin America (where it is already a power in the pension area). But at the same time Citigroup has plenty of territory left to conquer through a brick-and-click approach. Net sites for banking, insurance and other services can serve as beachheads in countries without many branches.

What's more, Citigroup hasn't just

Citigroup *continued from page 4*

befriended AOL. It's also a business-to-business player with Oracle. Citigroup will be embedding its payment and settlement capabilities into the Oracle's B2B market exchange on the Net. At the same time Citigroup will "market OracleExchange.com service" to banking clients and others.

Both within Citigroup and outside, some mutual back-scratching is happening in a very big and lucrative way that may delight the shareholders. Don't be surprised if Prince Al-Waleed adds on another tennis court or two.

The online version of this profile is at <http://www.wealthcast.com/mo/citigroup2000.htm>.

MedImmune *continued from pg. 1*

After a number of red-ink years, MedImmune looks like a winner. Together with more established names like R-25er Merck, it's a great play in the health sector, which will benefit mightily from the graying of the boomers.

A Value Stock NOT

No, MedImmune is hardly a value stock, not with a P/E of 144. But annualized five-year earnings growth could reach 39 percent if a consensus figure from covering analysts is right. And the expected Price/Earnings/Growth Ratio for the year ended December 2000 is just 1.23—well under the S&P's. Profit margin for the trailing 12 months is a respectable 19 percent. An S&P 500 member, MedImmune boasts a market cap of almost \$13 billion.

If you're a patient investor, MEDI might be a keeper. While hardly Amgen in size, MedImmune is earning hundreds of millions of dollars in revenue from a life-saving drug called Synagis.

Synagis shots protect babies—especially the most premature, the children at highest risk—against a lung-related virus called RSV for short. First marketed

two years ago, Synagis enjoyed the biggest launch of a pediatric product, reaching 56,000 patients in a few months. Last year it contributed 12 percent of the \$2.4 billion in drug-related revenue of Abbott Laboratories, which helps distribute Synagis.

More than 425,000 preemies are born each year in the United States alone, and safeguarding just one child against the virus can cost thousands of dollars. Just remember that Synagis, easily MedImmune's flagship product, is a seasonal creature. Its sales can track the rise and fall of the virus, which hits hardest during the colder months.

Other Good Drugs

Besides Synagis, MedImmune has others solid drugs on the market or on the way. For example:

- Numax, which could hit the market by 2004, is an inhaled version of Synagis and could be an even bigger hit since MedImmune is aiming it at adults as well as children.
- Ethyol, already on sale, helps normal cells withstand the effects of chemotherapy and radiation treatment.
- NeuTrexin can help AIDS patients

Wall Street Wisdom from Our Programs on WWRC

Jack Rothstein and Tom Parnell have spent years in the market. Tune in to learn what makes Wall Street tick—and understand why we're so enthusiastic about companies on our R-25 list. Find out how we pick quality stocks.

Money Talk with Jack Rothstein

Tuesday, 12 to 1 p.m. on WWRC, BusinessRadio AM570, Washington

Profit from Jack's commentaries on the stock market, and then phone in with your questions about the R-25 and other quality names!

The Rothstein Report

Saturday, 9 to 10 a.m. on WWRC, BusinessRadio AM570, Washington

As with the Tuesday show, you can call in with questions Saturday while Jack or Tom is on the air—just dial 202-882-9721 from a regular phone. On Verizon and Cellular One, the call is free. Dial *WRC on Verizon and #570 on Cellular One.

—Adv. from Rothstein Investment Advisory Services, 703-352-8778

fight pneumonia.

■ Hexalen is an oral treatment for advanced ovarian cancer. MGI Pharma has just licensed Hexalen for \$7.2 million, plus royalties for 10 years.

On the negative side, MedImmune lacks the full diversity of product revenues that the biggest pharms enjoy. And the stock cratered six years ago when the FDA hated the quality of some research from the company.

MedImmune, though, has tightened up QC.

Beyond that, consider the stature of the chairman, Wayne T. Hockmeyer. From 1980 to 1986, Hockmeyer chaired the Department of Immunology at Walter Reed Army Institute of Research. He was MedImmune's CEO until this year when, as planned, he was succeeded by David Mott. A Dartmouth grad, Mott joined MedImmune in 1994 after a stint as a vice president in the healthcare investment banking group of Smith Barney.

By one estimate, the number of biotechs in the black should grow from 17 right now to 45 in 2002, and MedImmune impresses us as one of the stronger possibilities.

Investment Seminar To Offer '01 Advice

Jack Rothstein and Tom Parnell will discuss 2001 investment strategies and answer questions at 7 p.m. at the Pooks Hill Marriott in Bethesda on Wednesday, January 10. The address is 5151 Pooks Hill Road Bethesda, MD. Seating is very limited, so call us at 703-352-8778.

See chart on page 6.
A Web version of this profile is available at <http://www.wealthcast.com/mo/medimmune.htm>.

Charts of 9 Stocks of Interest

MedImmune is an R-25 Candidate. The other names are full-fledged R-25ers.

Company Name: MedImmune Inc. (MEDI)
Exchange: NASDAQ NM **Last Trade:** 11/24/00
Sector: Biotechnology

Company Data Close on 11/24/00 with 1,125,800 shares traded
Shares Outstanding: 209,823,031 **Market Cap:** 12.9 Billion
Short Interest: Exchange provides no short interest data.
52-Week EPS: 0.41 **P/E Ratio:** 149.92
52-Week High: 86.125 on Monday, September 25, 2000 **52-Week Low:** 38.458333 on Tuesday, November 30, 1999

Averages
Average Price: 65.14 (50-day) 64.00 (200-day)
Average Volume: 3,878,900 (50-day) 3,964,700 (200-day)

Company Name: Cisco Systems, Inc. (CSCO)
Exchange: NASDAQ NM **Last Trade:** 11/24/00
Sector: Communications Tech.-ex. AT&T

Company Data Close on 11/24/00 with 21,082,300 shares traded
Shares Outstanding: 7,023,852,000 **Market Cap:** 370.1 Billion
Short Interest: Exchange provides no short interest data.
52-Week EPS: 0.43 **P/E Ratio:** 122.53
52-Week High: 82 on Monday, March 27, 2000 **52-Week Low:** 43.3125 on Monday, November 22, 1999

Averages
Average Price: 55.07 (50-day) 62.81 (200-day)
Average Volume: 64,594,300 (50-day) 52,906,100 (200-day)

Company Name: Sun Microsystems, Inc. (SUNW)
Exchange: NASDAQ NM **Last Trade:** 11/24/00
Sector: Computers

Company Data Close on 11/24/00 with 10,085,900 shares traded
Shares Outstanding: 1,609,177,933 **Market Cap:** 136.6 Billion
Short Interest: Exchange provides no short interest data.
52-Week EPS: 1.24 **P/E Ratio:** 68.45
52-Week High: 129.3125 on Friday, September 1, 2000 **52-Week Low:** 62.03125 on Tuesday, November 23, 1999

Averages
Average Price: 106.31 (50-day) 99.24 (200-day)
Average Volume: 26,431,000 (50-day) 18,892,300 (200-day)

Company Name: Intel Corp. (INTC)
Exchange: NASDAQ NM **Last Trade:** 11/24/00
Sector: Semiconductors

Company Data Close on 11/24/00 with 20,684,000 shares traded
Shares Outstanding: 6,698,000,624 **Market Cap:** 294.3 Billion
Short Interest: Exchange provides no short interest data.
52-Week EPS: 1.49 **P/E Ratio:** 29.49
52-Week High: 75.8125 on Monday, August 28, 2000 **52-Week Low:** 35 on Wednesday, October 11, 2000

Averages
Average Price: 43.37 (50-day) 59.12 (200-day)
Average Volume: 67,199,900 (50-day) 51,118,000 (200-day)

Company Name: Charles Schwab & Co. Inc. (SCH)
Exchange: NYSE **Last Trade:** 11/24/00
Sector: Securities Brokers

Company Data Close on 11/24/00 with 1,904,700 shares traded
Shares Outstanding: 1,383,593,000 **Market Cap:** 38.7 Billion
Short Interest: 17,337,184 (1.25%)
52-Week EPS: 0.53 **P/E Ratio:** 52.71
52-Week High: 44.75 on Friday, March 24, 2000 **52-Week Low:** 21.333333 on Wednesday, December 22, 1999

Averages
Average Price: 31.99 (50-day) 33.14 (200-day)
Average Volume: 3,785,800 (50-day) 4,819,200 (200-day)

Company Name: Merck & Co. (MRK)
Exchange: NYSE **Last Trade:** 11/24/00
Sector: Pharmaceuticals

Company Data Close on 11/24/00 with 2,006,800 shares traded
Shares Outstanding: 2,306,098,500 **Market Cap:** 206.3 Billion
Short Interest: 22,507,952 (0.98%)
52-Week EPS: 2.81 **P/E Ratio:** 31.83
52-Week High: 92.75 on Friday, November 10, 2000 **52-Week Low:** 52 on Tuesday, March 7, 2000

Averages
Average Price: 81.61 (50-day) 71.89 (200-day)
Average Volume: 6,229,700 (50-day) 5,659,200 (200-day)

Company Name: The Coca-Cola Company (KO)
Exchange: NYSE **Last Trade:** 11/24/00
Sector: Soft Drinks

Company Data Close on 11/24/00 with 1,952,500 shares traded
Shares Outstanding: 2,479,790,000 **Market Cap:** 146.3 Billion
Short Interest: 22,409,280 (0.90%)
52-Week EPS: 0.76 **P/E Ratio:** 77.63
52-Week High: 69 on Friday, December 3, 1999 **52-Week Low:** 42.875 on Tuesday, March 14, 2000

Averages
Average Price: 57.69 (50-day) 54.31 (200-day)
Average Volume: 4,498,700 (50-day) 4,936,000 (200-day)

Company Name: Ariba Inc. (ARBA)
Exchange: NASDAQ NM **Last Trade:** 11/24/00
Sector: Software

Company Data Close on 11/24/00 with 5,842,600 shares traded
Shares Outstanding: 247,757,015 **Market Cap:** 19.4 Billion
Short Interest: Exchange provides no short interest data.
52-Week EPS: -4.10 **P/E Ratio:** n/a
52-Week High: 183.34375 on Wednesday, March 8, 2000 **52-Week Low:** 43.875 on Wednesday, December 1, 1999

Averages
Average Price: 120.94 (50-day) 111.33 (200-day)
Average Volume: 10,237,800 (50-day) 7,669,000 (200-day)

Company Name: JDS Uniphase Corp. (JDSU)
Exchange: NASDAQ NM **Last Trade:** 11/24/00
Sector: Advanced Industrial Equipment

Company Data Close on 11/24/00 with 7,994,500 shares traded
Shares Outstanding: 935,929,039 **Market Cap:** 61.8 Billion
Short Interest: Exchange provides no short interest data.
52-Week EPS: -1.26 **P/E Ratio:** n/a
52-Week High: 153.42185 on Tuesday, March 7, 2000 **52-Week Low:** 52.421875 on Wednesday, December 15, 1999

Averages
Average Price: 85.46 (50-day) 106.09 (200-day)
Average Volume: 29,540,500 (50-day) 23,848,600 (200-day)

Rothstein 25

The R-25 is temporarily the R-26 since we've added Juniper Networks.

Name	Symbol	11/24/00 (last trade)	52-Week Low-High (Intraday)	P/E
America Online	AOL	42.9	37 - 95.8125	86.48
Applied Materials	AMAT	46 11/16	38 1/2 - 115	17.60
Ariba Inc.	ARBA	78 7/16	43 7/8 - 183 5/16	N/A
Broadcom Corp.	BRCM	117 1/8	87 11/16 - 274 3/4	213.70
Charles Schwab	SCH	27 15/16	21 5/16 - 44 3/4	49.65
Cisco Systems	CSCO	52 11/16	43 5/16 - 82	123.32
Citigroup	C	47 5/16	35 5/16 - 59 1/8	17.50
Coca-Cola	KO	59	42 7/8 - 69	78.37
Dell	DELL	24 3/8	22 1/16 - 59 11/16	30.67
eBay Inc.	EBAY	36 15/16	29 1/4 - 127 1/2	298.86
EMC Corp.	EMC	82 13/16	41 1/4 - 104 15/16	124.11
Exodus Comms.	EXDS	24	19 7/16 - 89 13/16	N/A
General Electric	GE	49 3/8	41 5/8 - 60 1/2	39.81
Home Depot	HD	37 1/2	34 11/16 - 70	31.96
Intel Corp.	INTC	43 15/16	33 - 75 13/16	24.23
JDS Uniphase	JDSU	66	52 3/8 - 153 3/8	N/A
Juniper Networks	JNPR	132 3/8	45 5/16 - 244 1/2	412.50
Merck & Co.	MRK	89 7/16	52 - 92 3/4	32.27
Microsoft	MSFT	69 15/16	48 7/16 - 119 15/16	38.78
Nokia Corp.	NOK	42 1/16	27 5/8 - 62 1/2	46.69
Oracle Corp.	ORCL	24 1/8	16 3/4 - 46 7/16	20.38
Qwest Comms. Intl.	Q	39 13/16	38 - 66 13/16	16.88
RealNetworks	RNWK	16	10 1/8 - 96	N/A
Redback Networks	RBAK	78 47/64	50 1/2 - 198 1/2	N/A
Sun Microsystems	SUNW	84 7/8	62 - 129 5/16	64.52
Yahoo Inc.	YHOO	40 7/8	38 1/16 - 250 1/16	84.86

A "Must Read" for R-25 Investors

Our R-25 Stocks are for long-term investors. Do not use these recommendations for fast-buck trading—a splendid way for many to lose money. Other tips:

- Try to limit your portfolio in most cases to no more than 12 good names—in line with our belief in the power of intelligent and balanced concentration. Spread your money around the different sectors mentioned here; do not put everything into pharmaceuticals or online services, for example.
- Sell losers. Keep the winners: the good companies with sustainable stories and increasing earnings.
- Don't sell stocks just because we drop them from the R-25 list. It includes the very best names of the moment, but this does not mean that the dropped names are bad. What's more, selling stocks without good reason can have nasty tax consequences.
- Adapt to current market conditions. You should not

buy a stock at its present price just because we like the company; we ourselves may not act immediately. Try to pick up good stocks when they're down, especially because of interest-rate fears or other factors spooking the market as a whole. The August-September-October period can hard on equalities, and if you've kept cash handy, you may be able then to get greedy and pounce on good names when others are fearful. But don't rely excessively on timing. Typical investors without our experience and resources may find that steady investment in R-25 stocks, bought at reasonable prices, is a better strategy than trying to outpsych the market.

- Get the latest data before acting. In an extraordinarily volatile market, the above prices and other statistics are not entirely current. If possible, use our Wealthcast.com site at <http://www.wealthcast.com> to update yourself on stock prices and other facts. The restricted area of the site is free to paid and trial members. Call 703-352-8778 or 888-343-4825, or email dirod@wealthcast.com to obtain Web access

or to get on the Rothstein 25 Community List, the lighter-volume Busy Investor List or the Daily RealAudio List.

- If you do not need the money in the next few years and can afford the risks and tolerate major downturns, then invest mainly in equities. Technology is driving good stocks upward over the long run despite sharp dips along the way. The retirement needs of the baby boomers will probably mean higher prices.
- No guarantees about any recs or predictions! Past history does not assure future riches.
- Remember that we tend to own or plan to own what we recommend—we eat our own cooking. We reserve the right to buy and sell without notifying you immediately, though we try to keep our Net service and newsletter as current as possible.
- As always, consult with your financial advisor or other professional before making an investment decision.

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